



Foresight
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Foresight Solar Fund Limited

Incorporated in Jersey, Channel Islands under the Companies (Jersey) Law

Registered Number: 113721

LSE ticker code: FSFL

JSE share code: FGS

ISIN: JEOOBD3QJR55

("Foresight Solar Fund" or the "Company")

PRE-LISTING ANNOUNCEMENT

SECONDARY INWARD LISTING OF FORESIGHT SOLAR FUND ON THE MAIN BOARD OF THE JSE LIMITED AND ISSUE OF NEW SHARES

THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED HEREIN IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES (OR TO US PERSONS), AUSTRALIA, CANADA OR JAPAN OR ANY OTHER JURISDICTION IN WHICH SUCH PUBLICATION OR DISTRIBUTION IS UNLAWFUL.

1. INTRODUCTION

- 1.1 Foresight Solar Fund is a Jersey registered closed-ended investment company which was launched in October 2013. Foresight Solar Fund has a single class of ordinary shares of no par value ("**Ordinary Shares**" or "**Shares**") in issue, which are listed on the premium segment of the Official List and traded on the Main Market of the London Stock Exchange ("**LSE**") under the Equity Investment Instruments sector.
- 1.2 As at 1 March 2017 (being the last business day prior to the approval of this pre-listing announcement) ("**Pre-listing Announcement**") ("**Last Practicable Date**"), Foresight Solar Fund had a gross asset value of approximately £614.2 million (R9 827.2 million), a net asset value of £360.2 million (R5 763.2 million) and a market capitalisation on the LSE of approximately £369.93 million (R5 918 million)¹.
- 1.3 Foresight Solar Fund invests in a portfolio of predominantly UK ground-based solar photovoltaic ("**PV**") assets to achieve its proposed investment objective of providing investors with a sustainable and inflation-linked quarterly dividend and to aim to preserve and where possible enhance capital value through the reinvestment of excess cash flows, not required for the payment of dividends.
- 1.4 The JSE Limited ("**JSE**") and the Financial Surveillance Department of the South African Reserve Bank ("**SARB**") have granted Foresight Solar Fund approval for a secondary inward listing, under the fast-track listing process contemplated by Section 18 of the Listings Requirements of the JSE

¹ As per the Bloomberg quoted ZAR/GBP spot rate of 16.00 at close on the Last Practicable Date

("JSE Listings Requirements"), of all its issued Ordinary Shares, including the New Shares, as defined below, on the Main Board of the exchange operated by the JSE in the "Financials – Equity Investment Instruments" sector, under the abbreviated name "FSTSOLAR", JSE share code "FGS" and ISIN JEOOBD3QJR55, (the "**JSE Secondary Listing**") with effect from the commencement of trading on 3 April 2017 ("**JSE Listing Date**").

1.5 Foresight Solar Fund is proposing an issue of new Ordinary Shares to raise in excess of £50 million ("**New Shares**") in the United Kingdom ("**UK**") and South Africa by way of:

- (i) an initial placing by Stifel Nicolaus Europe Limited ("**Stifel**") and J.P Morgan Securities plc ("**JPMC**") and an offer for subscription to the public of New Shares in the UK on the terms and conditions described in the prospectus dated 3 March 2017 ("**Prospectus**") ("**UK Initial Placing and Offer**"); and
- (ii) a private placement by Rand Merchant Bank (a division of FirstRand Bank Limited) ("**RMB**") ("**JSE Private Placement**") of New Shares in South Africa ("**JSE Private Placement Shares**"). The JSE Private Placement in South Africa will only be made to, and be capable of acceptance by, selected institutional investors who fall within one of the specified categories listed in section 96(1)(a) of the South African Companies Act, 2008 (the "**South African Companies Act**") or selected persons, acting as principal, acquiring JSE Private Placement Shares for a total acquisition cost of ZAR1 million or more, as contemplated in section 96(1)(b) of the South African Companies Act and to whom the offer is specifically addressed and capable of acceptance by ("**Qualifying South African Investors**"). Accordingly, (i) the JSE Private Placement is not an offer to the public as contemplated in the South African Companies Act, (ii) this Pre-listing Announcement does not, nor does it intend to, constitute a "registered prospectus", as contemplated by the South African Companies Act, and (iii) no prospectus has been filed or will be filed with the South African Companies and Intellectual Property Commission in respect of the JSE Private Placement,

(collectively the "**Initial Issues**").

1.6 A maximum of up to 250 million New Shares may be issued pursuant to the Initial Issues, if there is demand and it is considered to be in the Company's best interests.

2. THE PROSPECTUS IN RELATION TO THE UK INITIAL PLACING AND OFFER AND THE PLACING PROGRAMME

2.1 Foresight Solar Fund has published the Prospectus in relation to the UK Initial Placing and Offer and the placing programme, as described in paragraph 11 below ("**Placing Programme or Share Issuance Programme**"). The Prospectus is available on Foresight Solar Fund's website (<http://www.foresightgroup.eu/fsfl-home>) and from the offices of RMB, located at 1 Merchant Place, Fredman Drive, Sandton, 2196, South Africa, from Friday, 3 March 2017 to Monday, 20 March 2017 between 9am and 4pm. RMB is acting as the South African JSE sponsor to Foresight Solar Fund and sole bookrunner in relation to the JSE Secondary Listing and JSE Private Placement.

2.2 Before making any investment decision, this Pre-listing Announcement should be read in conjunction with the Prospectus for detailed information on Foresight Solar Fund including *inter alia*:

- (a) information on Foresight Solar Fund and its portfolio of solar assets;
- (b) the investment objectives, policy and strategy of Foresight Solar Fund;
- (c) risk factors;

- (d) financial information;
- (e) terms and conditions of the UK Initial Placing and Offer and the Placing Programme; and
- (f) information on the renewable energy and solar market in the UK.

2.3 Prospective Qualifying South African Investors should consult their registered financial advisors if they have any questions in relation to the JSE Secondary Listing and/or JSE Private Placement.

3. OVERVIEW OF FORESIGHT SOLAR FUND

3.1 Foresight Solar Fund currently owns a portfolio of 18 ground based solar power assets (indirectly on a wholly owned basis) across the UK with a gross asset value of approximately £614.2 million (R9 827.2 million) and a total of 470 MW of existing operational capacity.

3.2 Foresight Group CI Limited, a member of the Foresight investment management group which is comprised of Foresight Group CI Limited, Foresight Group LLP, Foresight Fund Managers and any other subsidiaries from time to time (the "**Investment Management Group**"), has been appointed as the investment manager ("**Investment Manager**") of Foresight Solar Fund and advises Foresight Solar Fund on asset acquisitions and on the development and management of the assets within its portfolio.

3.3 The Investment Manager is entitled to an annual management fee of an amount equal to:

- (a) one per cent. per annum of the first £500 million of the Net Asset Value (as defined in paragraph 10.2(b) below) of Foresight Solar Fund; plus
- (b) 0.9 per cent. per annum of the Net Asset Value (as defined in paragraph 10.2(b) below) of Foresight Solar Fund in excess of £500 million.

3.4 The investment management agreement entered into between *inter alia*, Foresight Solar Fund and the Investment Manager does not provide for any performance fees or acquisition fees to be payable to the Investment Manager.

3.5 The Investment Manager, which has an experienced management team in the solar and renewable infrastructure sectors, also has extensive fund management experience. It established its solar investment team in 2007 and launched its first solar fund, the Foresight European Solar Fund, in early 2008. The Investment Manager currently manages approximately £1.3 billion of solar assets totalling approximately 900MW across 84 separate sites in Australia, the UK, Italy and the US.

4. THE INVESTMENT POLICY OF FORESIGHT SOLAR FUND

4.1 Foresight Solar Fund will pursue its investment objective by acquiring ground-based, operational solar assets predominantly in the UK. Investments outside the UK and assets which are still, when acquired, under construction will be limited to 25 per cent. of the Gross Asset Value (as defined in paragraph 4.2(a) below) of Foresight Solar Fund, calculated at the time of investment.

4.2 For purposes of this Pre-Listing Announcement:

- (a) "**Gross Asset Value**" means the aggregate of: (i) fair value of the Foresight Solar Fund Group's underlying investments (whether or not subsidiaries); (ii) the Foresight Solar Fund Group's consolidated cash balances and cash equivalents; and (iii) the Foresight Solar Fund Group's consolidated share of other relevant assets or liabilities. The Gross Asset Value will be calculated based on the last published gross investment valuation of Foresight Solar

Fund's portfolio, including cash, plus acquisitions made since the date of such valuation at their cost of acquisition; and

(b) "**Foresight Solar Fund Group**" means Foresight Solar Fund, Foresight Solar (UK Holdco) Limited, FS Holdco Limited, FS Holdco 2 Limited, FS Debtco Limited and their direct and indirect subsidiaries from time to time or any one or more of them, as the context may require.

- 4.3 Foresight Solar Fund will seek to acquire majority or minority stakes in individual ground-based solar assets, and may invest directly or indirectly through special purpose vehicles ("**SPVs**") which own interests in the ground-based solar assets. When investing in a stake of less than 100 per cent., it will secure its shareholder rights through shareholders' agreements and other legal transaction documents.
- 4.4 Power purchase agreements ("**PPAs**") will be entered into between each SPV in its portfolio and creditworthy offtakers in the UK ("**Offtakers**"). Under the PPAs, the SPVs will sell solar generated electricity and green benefits to the relevant Offtaker. Foresight Solar Fund may enter into PPAs that do not include mechanisms such as fixed prices or price floors, and thereby retain exposure to UK wholesale power prices.
- 4.5 Investments may be made in equity, debt or quasi-equity instruments but not in any instruments traded on any investment exchange.
- 4.6 Foresight Solar Fund is permitted to invest cash that (i) is held for working capital purposes or (ii) is held pending investment in solar assets, in cash deposits, gilts and money market funds.
- 4.7 In order to spread risk and diversify its portfolio, at the time of investment no single asset shall exceed in value (or, if it is an additional stake in an existing investment, the combined value of both the existing stake and the additional stake acquired) 30 per cent. of Foresight Solar Fund's Gross Asset Value post-acquisition.
- 4.8 Foresight Solar Fund's portfolio will provide diversified exposure through the inclusion of not less than five individual solar power plants and Foresight Solar Fund will also seek to diversify risk by ensuring that a significant proportion of its expected income stream is derived from regulatory support (which will consist of, for example, without limitation Renewables Obligation Certificates regime ("**ROCs**") and Feed-in-Tariffs ("**FiTs**") for UK assets). Diversification will also be achieved by using a number of different third party providers including developers, engineering procurement and construction contractors, operation and maintenance contractors, panel manufacturers, landlords and distribution network operators.
- 4.9 Any material change to the investment policy will require the prior approval of shareholders by way of an ordinary resolution (for so long as the Ordinary Shares are listed on the Official List) in accordance to the listing rules made by the UK Listing Authority ("**UKLA**") under section 73A of the UK Financial Services and Markets Act, 2000 ("**UK Listing Rules**").
- 4.10 As part of the proposals (as more fully described in paragraph 12 below), to be considered by shareholders at the general meeting of Foresight Solar Fund to be convened for 4:30 p.m. UK time on 22 March 2017 ("**General Meeting**"), in light of the maturity of the market for new solar power investment opportunities, the board of directors, whose names appear in paragraph 15 below, (the "**Directors**" or "**Board**") is seeking to amend Foresight Solar Fund's investment objective and the investment policy to allow for a more flexible debt structure and access to a wider pipeline of attractive opportunities.

- 4.11 Since its launch in 2013, Foresight Solar Fund has, in accordance with its current investment policy, only been able to invest in, in ground based solar PV plants in the primary market and, as a reflection of this at present its investment policy does not allow gearing at asset level. However, given the growth of UK installed solar capacity over the past five years, the investment opportunities within the secondary market are increasing and are expected to increase further. It is common place for operators in the secondary market to have incurred debt at asset level. The Board has therefore convened the General Meeting at which shareholders will be asked to approve, inter alia, the proposed change that the restrictions contained in Foresight Solar Fund's investment policy in relation to asset level gearing be removed and that asset level gearing be permitted in the future.
- 4.12 The investment policy and the articles of association of Foresight Solar Fund ("**Articles**") contain a hard gearing limited of 50 per cent. of Foresight Solar Fund's Gross Asset Value. The Board is not proposing to amend this hard limit or the method used to calculate this hard limit. Any Foresight Solar Fund Group gearing (including any asset level gearing and any revolving credit facilities) will be included in the calculation of this hard gearing limit. Intra-group borrowings will continue to be excluded.
- 4.13 The investment policy also contains the Board's current intention that gearing, calculated as borrowings as a percentage of the Gross Asset Value, will not exceed 40 per cent. at the time of drawdown. In calculating compliance with this limit, Foresight Solar Fund currently takes in account long-term gearing and revolving credit facilities. In order to provide further flexibility to Foresight Solar Fund Group's debt structuring policy it is proposed that revolving credit facilities be excluded from the calculation of this limit going forward. Any long-term gearing at asset level (but not any revolving credit facilities that are put in place at asset level) will, if these amendments are approved by shareholders, also be included within the Board's current 40 per cent. gearing limit. Intra-group borrowings will continue to be excluded.
- 4.14 Foresight Solar Fund is also proposing to amend the investment policy in order to reflect that a significant proportion of the expected income stream is derived from regulatory support (which will consist of, for example and without limitation, ROCs and FiTs for UK assets) as opposed to being derived from green benefits (which consist of, for example, ROCs, FiTs and Levy Exempt Certificates ("**LECs**"). This proposed change will allow the Foresight Solar Fund Group's income stream to be derived from a wider range of supports, benefits and subsidies. It also reflects the change in UK Government policy to withdraw the LECs which took place in 2015 and the withdrawal of the Renewables Obligation scheme for new installed assets with effect from 31 March 2017.
- 4.15 For purposes of this Pre-Listing Announcement, "**Revolving Credit Facilities**" means the £40 million short term revolving credit facility which has been provided to FS Holdco Limited on 31 March 2016 and the £55 million short term revolving credit facility which has been provided to FS Debtco Limited on 20 February 2017 ("**RCF 2**"), both provided by Abbey National Treasury Services plc (trading as Santander Global Corporate Banking) ("**Santander**").

5. TARGET RETURNS

Whilst not forming part of its investment policy, given the nature of Foresight Solar Fund's income streams, the Board intends to increase the annual dividend in line with inflation. Foresight Solar Fund intends to target returns to investors equivalent to an ungeared internal rate of return of 7 to 8 per cent. after having accounted for fees and expenses. Foresight Solar Fund will seek to achieve these returns through active management of its solar power plants in accordance with Foresight Solar Fund's investment policy and it will look to grow its investment portfolio through additional asset acquisitions throughout its life.

6. DIVIDEND POLICY

- 6.1 Subject to market conditions and Foresight Solar Fund's performance, financial position and financial outlook, it is the Directors' intention to pay a sustainable and inflation-linked quarterly dividend.
- 6.2 Dividends on the Ordinary Shares are expected to be paid quarterly in respect of each financial year typically in August, November, February and May. All dividends are paid as interim dividends.
- 6.3 Foresight Solar Fund has declared a fourth interim dividend of 1.55 pence per Ordinary Share for the quarter ending 31 December 2016 which will be paid on 5 May 2017. The record date for this fourth interim dividend is 7 April 2017 ("**Record Date**") and, as such, existing shareholders and the holders of New Shares issued pursuant to the Initial Issues, will be entitled to this fourth interim dividend provided their name is on the register of members of Foresight Solar Fund on the Record Date. Foresight Solar Fund will, following the payment of the fourth interim dividend, have paid an aggregate dividend of 6.17p per share for the 12 months ended 31 December 2016.
- 6.4 Foresight Solar Fund is aiming to achieve a target dividend of 6.32p per Share in respect of the financial year to 31 December 2017.
- 6.5 There are no assurances that Foresight Solar Fund will pay any dividends in the future. The New Shares will rank *pari passu* with the Ordinary Shares in respect of dividends.

7. THE INVESTMENT OPPORTUNITY

The Directors believe that the UK solar market remains attractive, particularly given the recent recovery in wholesale power prices. There is uncertainty regarding the UK Government's future support for providing subsidies to new solar power projects on the basis of the Renewable Obligations Scheme being withdrawn with effect from 31 March 2017. However, the Directors believe that solar energy infrastructure assets continue to provide an attractive, risk-adjusted return for the following reasons:

7.1 Expected steady growth of demand

In its 2015 projections, the UK Department of Energy and Climate Change forecasted that the UK's electricity demand would increase by between 14 per cent. and 25 per cent. by 2035. Despite increasing energy demand, the UK's electricity supply is decreasing. Existing nuclear and coal-fired power stations are reaching the end of their technical lives and European environmental legislation has resulted in the closure of approximately 12 Mtoe of coal capacity since 2012.

Furthermore, in 2008 the UK passed the UK Climate Change Act, 2008 requiring an 80 per cent. reduction in greenhouse gas emissions by 2050 (and at least a 26 per cent. reduction by 2020) against the level of greenhouse gas emissions recorded in 1990. In October 2016 the UK's Committee on Climate Change noted that the vote, passed by the UK electorate on 23 June 2016 to leave the European Union, did not change the UK's legal commitments to reduce its greenhouse gas emissions under the Climate Change Act, 2008. The Board believes that this increasing demand, decreasing supply and required reduction in greenhouse gases highlights the importance of the move towards renewable and low carbon technologies in electricity generation.

7.2 Regulated Revenues Linked to the UK retail prices index ("RPI")

The UK Government has provided regulatory support for renewable energy and included solar as a "key technology" to meet its 2020 carbon targets. The UK's ROC regime provides a stable 20 year subsidised revenue stream in respect of the existing solar asset portfolio which is linked to RPI inflationary increases applied by UK Office of Gas and Electricity Markets in April of each year. The

Investment Manager estimates that, for the year ended 31 December 2016, approximately 60 per cent. of Foresight Solar Fund's revenues were derived from regulated revenues (ROCs and embedded benefits, both of which are linked to RPI) and 40 per cent. were derived from selling electricity on the wholesale market.

7.3 High degree of contracted revenues

Approximately 59 per cent. of the revenues derived from the Company's portfolio are fixed and index-linked and received in the form of regulated revenues. The remaining 41 per cent. are received through the sale of electricity through PPAs, entered into on a bi-lateral basis between the individual solar power plant SPVs and creditworthy offtakers in the UK. Exposure to merchant power prices can be mitigated further through fixed price PPAs.

7.4 Active secondary market providing further pipeline

The growth and scale of UK installed solar capacity over the past five years has created an active market in large-scale secondary assets. The Board believes that a large proportion of UK solar assets are currently held by short-term investors, including construction companies, solar developers or panel manufacturers that are not intending to hold the assets for the entirety of the anticipated asset life.

Notwithstanding the announcement by the UK Government to withdraw the Renewable Obligations Scheme to all new renewable energy projects with effect from 31 March 2017, the UK solar sector is expected to remain attractive given its size and the opportunities to acquire operating assets as an active secondary market emerges in the UK.

7.5 Low volatility of solar irradiation

Irradiation is the key determinant of solar power production and it is dependent on the hours of daylight available as opposed to direct sunlight. This means that there is less variability in generation of electricity by solar power plants as they are still able to generate electricity even on days without clear skies. It has been demonstrated that levels of solar irradiation exhibit lower variability than wind. The standard deviation of annual irradiation across the existing solar power plants operated by the Investment Management Group in the UK, is relatively low at approximately 4 per cent., over the past 21 years.

In addition, the levels of solar irradiance in the southern parts of the UK compare favourably with other established European solar markets such as Germany, making the UK a similarly viable location for solar investment. Regions in the south west of England experience irradiance up to approximately 1,200kWh per M² per annum. The majority of solar power plants in the UK tend to be located in the southern parts of England and Wales to maximise levels of production.

7.6 Mature technology

Solar PV systems rely on well proven technology that has a demonstrated lifespan in excess of its guaranteed life of 25 years along with low technical degradation over time. The initial application of PV technology took place in the 1960's with one of the first UK grid connected systems being installed for 22 years, presenting a performance above the expected technical degradation.

7.7 Managed by Foresight Group CI Limited, a member of the Investment Management Group

The Investment Management Group, founded in 1984, is a privately-owned infrastructure and private equity investment manager. The Investment Management Group manages assets in the private equity, environmental waste, energy and infrastructure sectors of approximately £2.3 billion, raised

from pension funds and other institutional investors, UK and international private and high net-worth individuals and family offices. The Investment Management Group's head office is located in The Shard, London, with further offices in Guernsey, Nottingham, Manchester, Rome, San Francisco and Sydney.

The Investment Management Group's dedicated solar team of 35 professionals comprises individuals with operational, financing, legal, tax and structuring expertise in the renewable energy and PFI sectors and has been active since 2007. The Investment Manager has particular expertise in the solar PV sector having invested approximately £1.3 billion in over 84 operating solar power plants totalling 900 MW of existing operational capacity across Australia, Italy, USA and the UK.

The Investment Manager has demonstrated its ability to raise and deploy equity and debt proceeds having raised and invested approximately £562 million on behalf of Foresight Solar Fund to date.

The Investment Manager has also developed its own centralised monitoring system so that all of the ground based solar power plants can be remotely monitored by the Investment Manager in real time. This sophisticated asset management database forms the basis of all performance analysis and reporting as well as enabling the enforcement of contractual compliance. This is a powerful tool for being able to continually assess the performance of the solar power sites, ensuring that all information is consistent, accurate and relevant. It also allows the Investment Manager's engineers to identify and notify onsite contractors of incidents rapidly and work with them in order to minimise the impact on portfolio production.

8. RISK FACTORS

The risk factors referred to in the Prospectus are the risks which are considered by Foresight Solar Fund and the Directors to be material as at the date of this Pre-listing Announcement but are not the only risks relating to Foresight Solar Fund or the Ordinary Shares. Additional risks and uncertainties relating to Foresight Solar Fund or the Ordinary Shares that are not currently known to Foresight Solar Fund or the Directors or that the Directors or Foresight Solar Fund do not currently consider to be material may also have a material adverse effect on Foresight Solar Fund. Potential investors should review this Pre-listing Announcement and the Prospectus carefully and in its entirety and consult with their broker, bank manager, attorney, accountant or other independent financial adviser before acquiring any Ordinary Shares.

9. RATIONALE FOR THE JSE SECONDARY LISTING AND JSE PRIVATE PLACEMENT

9.1 The rationale for the JSE Secondary Listing is to:

- (a) provide Qualifying South African Investors, with an opportunity to participate, over the long-term, in the future income and capital performance of Foresight Solar Fund;
- (b) improve the depth and spread of the shareholder base of Foresight Solar Fund in order to improve liquidity and tradeability of the Ordinary Shares;
- (c) provide Foresight Solar Fund with access to a wider pool of international capital; and
- (d) provide Foresight Solar Fund with an additional platform to raise equity funding to pursue growth and investment opportunities in the future.

9.2 With effect from the JSE Listing Date, the Ordinary Shares will be fully transferable between the UK and South African share registers.

10. TERMS AND CONDITIONS OF THE INITIAL ISSUES

- 10.1 The Initial Issues comprise the UK Initial Placing and Offer and the JSE Private Placement.
- 10.2 The price at which New Shares will be issued under the UK Initial Placing and Offer ("**UK Initial Placing and Offer Price**") will be equal to the NAV per Share on 23 February 2017 of 105.6p which has been calculated in accordance with Foresight Solar Fund's normal accounting policies, plus a premium intended to cover the costs of the Initial Issues, rounded to the nearest decimal place, as determined by the Board, where:
- (a) **NAV per Share** is equal to Net Asset Value divided by the number of Ordinary Shares in issue on the relevant date;
 - (b) **Net Asset Value** is equal to:
 - (i) Gross Asset Value; less
 - (ii) the Foresight Solar Fund Group's consolidated third party borrowings.
- 10.3 The final UK Initial Placing and Offer Price will be announced on RIS and SENS on or about 23 March 2017.
- 10.4 The price at which the New Shares will be issued under the JSE Private Placement will be equal to the ZAR equivalent of the UK Initial Placing and Offer Price determined based on the ZAR/GBP spot rate at the closing of the JSE Private Placement at 11:00 UK time on 29 March 2017 as quoted on Bloomberg (the "**JSE Private Placement Price**").
- 10.5 The New Shares issued pursuant to the JSE Private Placement will be issued in ZAR and repatriated into Sterling.
- 10.6 The total number of New Shares issued under the Initial Issues will be determined by Foresight Solar Fund, RMB, Stifel and JPMC after taking into account the demand for the New Shares in the UK and South Africa, prevailing market conditions and the acquisition costs of assets that the Investment Manager has identified as being suitable for purchase by Foresight Solar Fund.
- 10.7 In the event that the number of New Shares applied for under the Initial Issues would result in Foresight Solar Fund receiving net proceeds which are in excess of the size of the Initial Issues then it would be necessary to scale back applications under the Initial Issues. Stifel, JPMC and RMB reserve the right, at their sole discretion but after consultation with Foresight Solar Fund, to scale back applications in such amounts as they consider appropriate. Foresight Solar Fund reserves the right to decline in whole or in part an application for New Shares pursuant to the Initial Issues. Accordingly, applicants for New Shares may, in certain circumstances, not be allotted the number of New Shares for which they applied.
- 10.8 Foresight Solar Fund, the Investment Manager, and the Directors have entered into a placing agreement with Stifel, RMB and JPMC (the "**Placing Agreement**"). In terms of the Placing Agreement:
- (a) Stifel, RMB and JPMC have agreed, subject to certain conditions that are typical for an agreement of this nature, to use their respective reasonable endeavours to procure subscribers for the New Shares.
 - (b) The UK Initial Placing and Offer and JSE Private Placement will not be underwritten.

- (c) For each of Stifel's, RMB's and JPMC's services in connection with the UK Initial Placing and Offer and JSE Private Placement and provided the Placing Agreement becomes wholly unconditional and is not terminated, they will be entitled to commission (together with any value added tax chargeable thereon) as follows:
 - (i) Stifel and JPMC, 2 per cent. in aggregate of the gross proceeds of the UK Initial Placing and Offer; and
 - (ii) RMB, an aggregate of 2 per cent. of the gross proceeds of the JSE Private Placement.
- (d) Foresight Solar Fund has also undertaken to pay Stifel a sponsor fee of £150,000.
- (e) In addition, Stifel, RMB and JPMC will be entitled to be reimbursed for all their reasonably and properly incurred costs, charges, fees and expenses in connection with or incidental to the UK Initial Placing and Offer and JSE Private Placement and the arrangements contemplated by the Placing Agreement. Under the Placing Agreement, Foresight Solar Fund, the Directors and the Investment Manager have given certain market standard warranties and, in the case of Foresight Solar Fund and the Investment Manager, indemnities to Stifel, RMB and JPMC concerning, inter alia, the accuracy of the information contained in the Prospectus and this Pre-Listing Announcement.

10.9 The UK Initial Placing and Offer is conditional, *inter alia*, on:

- (a) the special resolution to be proposed at the General Meeting to waive the pre-emption rights to respect of the issue of the New Shares in connection with the Initial Issues and the Placing Programme being passed at the General Meeting ("**Issue Resolution**");
- (b) the Placing Agreement becoming wholly unconditional (save as to the admission of the New Shares to the Official List of the UKLA (premium listing) and to trading on the Main Market for listed securities of the LSE ("**UK Admission**") and admission of the New Shares to the JSE List and to trading on the Main Board of the JSE ("**JSE Admission**")) and not having been terminated in accordance with its terms prior to the UK Initial Admission/JSE Initial Admission (each as defined below); and
- (c) UK Admission in respect of the UK Initial Placing and Offer ("**UK Initial Admission**") occurring by the commencement of trading on the LSE on 31 March 2017 (or such later date as Foresight Solar Fund, Stifel, JPMC and RMB may agree in writing, being not later than the commencement of trading on the LSE on 30 April 2017).

10.10 The JSE Private Placement is conditional on:

- (a) the conditions to the UK Initial Placing and Offer being satisfied;
- (b) JSE Admission in respect of the New Shares issued pursuant the Initial Issues occurring by the commencement of trading on the JSE on Monday, 3 April 2017 (or such later date as Foresight Solar Fund, and RMB may agree in writing), being not later than the commencement of trading on the JSE on 30 April 2017).

11. THE PLACING PROGRAMME

- (a) Following the Initial Issues, the Directors intend to implement the Placing Programme. Conditional on the Issue Resolution being passed, the Directors will be authorised to issue up to 250 million New Shares pursuant to the Placing Programme less any such shares

issued pursuant to the Initial Issues without having to first offer those New Shares to existing shareholders.

- (b) The Placing Programme is being implemented to enable Foresight Solar Fund to raise additional capital in the period from 3 March 2017 to 2 March 2018 as and when it identifies suitable assets for acquisition. This should, in turn, enable the Investment Manager to act opportunistically, by making a series of accretive acquisitions whilst also mitigating the risk of cash drag on shareholders' funds.
- (c) The Directors intend to apply the net proceeds of the Placing Programme in making investments in accordance with Foresight Solar Fund's investment policy as and when such opportunities arise. The Placing Programme is not being underwritten.
- (d) The Directors intend to offer the New Shares in both the UK and South African markets. The issue of New Shares pursuant to the Placing Programme is at the discretion of the Directors in conjunction with Stifel, JPMC and RMB.
- (e) In the event that there are any significant changes affecting any of the matters described in the Prospectus or where any significant new matters have arisen after the publication of the Prospectus and prior to Admission of the New Shares issued pursuant to the Placing Programme, Foresight Solar Fund will publish a supplementary prospectus. Any supplementary prospectus published will give details of the significant change(s) or the significant new matter(s). Otherwise the Prospectus will not be updated but investors should refer to Foresight Solar Fund's announcements made through a Regulatory Information Service ("**RIS**") and the JSE Stock Exchange News Service ("**SENS**").
- (f) The Placing Programme Price will be determined by Foresight Solar Fund and will be at a premium to the Net Asset Value in respect of each issue under the Placing Programme per Share. The Directors will determine the Placing Programme Price in respect of each issue and the premium will be intended to cover the estimated costs and expenses of each issue under the Placing Programme. In determining the Placing Programme Price, the Directors will also take into consideration, *inter alia*, the prevailing market conditions at that time.
- (g) The Placing Programme Price will be announced through an RIS and SENS as soon as is practicable in conjunction with each issue under the Placing Programme.
- (h) Each issue pursuant to the Placing Programme is conditional, *inter alia*, on the following:
 - (i) the Issue Resolution having been passed at the General Meeting;
 - (ii) the relevant Placing Programme Price being determined by the Directors in conjunction with Stifel, JPMC and RMB;
 - (iii) UK Admission and JSE Admission of the New Shares issued pursuant to such issue;
 - (iv) a valid supplementary prospectus being published by Foresight Solar Fund if required; and
 - (v) the Placing Agreement becoming unconditional in respect of each issue and having not been terminated in accordance with its terms prior to such UK Admission and JSE Admission.

- (i) In circumstances where these conditions are not fully met, the relevant issue of New Shares pursuant to the Placing Programme will not take place.
- (j) New Shares issued under the Placing Programme will rank pari passu with the Ordinary Shares then in issue (save for any dividends or other distributions declared, made or paid by reference to a record date prior to the issue of the relevant New Shares).

12. THE PROPOSALS, SHAREHOLDER APPROVALS AND THE GENERAL MEETING

12.1 Foresight Solar Fund and the Investment Manager continue to see attractive investment opportunities in the UK solar market and wish to continue to be in a position to take advantage of these opportunities when they arise.

12.2 Foresight Solar Fund is proposing to:

- (i) raise additional equity by means of the Initial Issues and Placing Programme of up to 250 million New Shares;
- (ii) undertake the JSE Secondary Listing of its Ordinary Shares on the JSE and carry out the JSE Private Placement;
- (iii) amend its investment objective and policy in order to, *inter alia*, provide Foresight Solar Fund with greater flexibility and wider opportunities when acquiring assets by allowing it to acquire assets in the secondary market that have gearing;
- (iv) amend its Articles to permit electronic communications and to change the quorum provision of meetings of the Board; and
- (v) seek approval for BlackRock Inc which has been, in the past 12 months, a substantial shareholder and therefore is a related party for purpose of the UK Listing Rules, to participate in the UK Initial Placing and Offer and/or Placing Programme ("**Related Party Transaction**"),

(collectively the "**Proposals**").

12.3 The issue of the New Shares pursuant to the Initial Issues and Share Issuance Programme, the amendment to the investment policy, the amendment of the Articles and the Related Party Transaction pursuant to the Proposals are subject to the approval of shareholders at the General Meeting.

12.4 If shareholders approve the Proposals at the General Meeting the Foresight Solar Fund's investment objective going forward will be to provide investors with a sustainable and inflation-linked quarterly dividend and to aim to preserve and where possible enhance capital value through the reinvestment of excess cash flows, not required for the payment of dividends, generated from investing in a diversified portfolio of predominantly UK ground-based solar PV assets.

13. USE OF PROCEEDS OF THE INITIAL ISSUES AND THE PLACING PROGRAM

13.1 The maximum aggregate number of New Shares available under the Initial Issues and the Placing Programme is 250 million. The net proceeds of the Initial Issues and the Placing Programme are dependent on the UK Initial Placing and Offer Price, the JSE Private Placement Price and the Placing Programme Price and the number of Ordinary Shares issued. There is no minimum number of New Shares that is required to be issued. It is estimated that the fixed costs of the Initial Issues and the Placing Programme incurred by Foresight Solar Fund (which principally relate to the

preparation of this document and the Circular) will, in aggregate, be approximately £562,000, excluding placing commission and listing fees.

- 13.2 It is intended that the net proceeds of the Initial Issues will be used by Foresight Solar Fund, in the first instance, to repay the Revolving Credit Facilities in full or in part. The Foresight Solar Fund Group may then draw down again under the Revolving Credit Facilities or it may use any remaining net proceeds from the Initial Issues to invest in and acquire further UK ground-based solar PV assets in accordance with the investment policy.

14. FINANCIAL INFORMATION AND *PRO FORMA* FINANCIAL INFORMATION

- 14.1 Historical financial information of Foresight Solar Fund is available for inspection on Foresight Solar Fund's website (<http://www.foresightgroup.eu/fsfl-home>).
- 14.2 Foresight Solar Fund has its financial year-end at 31 December.
- 14.3 Selected historical financial information for the three financial years ended 31 December 2016 relating to Foresight Solar Fund which summarises the financial condition of Foresight Solar Fund is set out in the following table:

(£)	Period ended 31 December 2014	Period ended 31 December 2015 (Restated)	Period ended 31 December 2016
Net asset value			
Total assets ('000)	264,595	279,382	350,886
Total equity ('000)	209,833	279,106	350,770
Net asset value per Share (p)	100.9	99.04	102.88
Consolidated income statement			
Total revenue ('000)	13,560	18,500	34,237
Total expenditure ('000)	(5,453)	(3,286)	(3,498)
Profit and total comprehensive income ('000)	8,107	15,214	30,739
Earnings per Ordinary Share (p)	5.90	5.91	10.38
Dividends per Ordinary Share (p)	6.00	6.10	6.17

The information in this paragraph 14.3 is information regarding Foresight Solar Fund which has been prepared by Foresight Solar Fund has been extracted directly from the historical financial information referred to in paragraph 14.1.

14.4 CALCULATION OF NET ASSET VALUE

- (a) The Investment Manager is responsible for providing fair market valuations of the Foresight Solar Fund Group's assets based on discounted cash flow methodology in accordance with IFRS. In conjunction with the Investment Manager, JTC (Jersey) Limited in its capacity as Foresight Solar Fund's administrator and secretary (the "**Administrator**") calculates Foresight Solar Fund's Net Asset Value and the NAV per Share on a quarterly basis as at each calendar quarter and reports such calculations to the Board for approval. These calculations are reported quarterly to shareholders and reconciled in Foresight Solar Fund's annual report. Foresight Solar Fund's Net Asset Value will be published through a RIS and

SENS as soon as possible after the relevant quarter. All calculations made by the Investment Manager and the Administrator are based, in part, on the valuation information provided by the SPVs.

- (b) Foresight Solar Fund may in accordance with its investment policy hold minority stakes in SPVs and, in these circumstances, the Investment Manager or the Administrator may not be in a position to confirm the completeness, genuineness or accuracy of such information or data. In addition, the financial reports, where not provided by the Investment Manager and/or the Administrator, are typically provided on a quarterly or half yearly basis only and generally are issued one to four months after the end of the relevant quarter. Consequently, each quarterly Net Asset Value published by Foresight Solar Fund will contain information that may be out of date and require updating and be incomplete. Shareholders should bear in mind that where Foresight Solar Fund holds a minority stake in such SPV the actual net asset values may be materially different from the quarterly calculations.
- (c) The calculation of Foresight Solar Fund's NAV per Share will only be suspended in circumstances where the underlying data necessary to value the investments of Foresight Solar Fund cannot readily, or without undue- expenditure, be obtained. Details of any suspension in making such calculations will be announced through a RIS and SENS.

14.5 Set out below are the basic, diluted, and headline earnings per share of Foresight Solar Fund for the twelve months ended 31 December 2015 and the twelve months ended 31 December 2016:

(£)	2015	2016
Earnings		
Profit attributable to ordinary equity holders ('000)	15,214	30,738
Less: Re-measurements included in equity - accounted earnings of associates	6,619	(4,775)
Headline earnings (£ '000)	21,833	25,964
Weighted average number of Ordinary Shares for the purpose of basic, diluted and headline earnings per share	257,246,283	296,123,500
Basic earnings per share (p)	5.91	10.38
Diluted earnings per share (p)	5.91	10.38
Headline earnings per share (p)	8.49	8.77
Diluted headline earnings per share (p)	8.49	8.77

The profit attributable to ordinary equity holders in this paragraph 14.5 is information regarding Foresight Solar Fund which has been prepared by Foresight Solar Fund and has been extracted directly from the historical financial information referred to in paragraph 14.1.

14.6 SIGNIFICANT CHANGES

There has been no significant change in the financial condition and operating results of the Foresight Solar Fund Group since 31 December 2016 (being the end of the last financial period of Foresight Solar Fund for which audited financial information has been published) other than in relation to the acquisitions of the ground based solar power plants situated at Shotwick and Sandridge (including the entering into of the revolving credit facility agreement with Santander in relation to RCF 2) which completed on 3 February 2017 and 22 February 2017 respectively.

14.7 KEY PRO FORMA FINANCIAL INFORMATION

There is no pro forma financial information included in this Pre-listing Announcement or in the Prospectus.

15. SALIENT DATES RELATING TO THE JSE SECONDARY LISTING AND JSE PRIVATE PLACEMENT

The salient dates relating to the JSE Private Placement and the Secondary Listing are set out below:

Publication of the Pre-listing Announcement on SENS	Friday, 3 March 2017
JSE Private Placement opens at 9:00 UK time	Friday, 3 March 2017
Publication of the Pre-listing Announcement in the South African press	Monday, 6 March 2017
Announcement of final UK Initial Placing and Offer Price on RIS and SENS on or about	Tuesday, 14 March 2017
JSE Private Placement closes at 11:00 UK time	Wednesday, 29 March 2017
Notification of allotments on	Wednesday, 29 March 2017
Results of the JSE Private Placement released on SENS	Wednesday, 29 March 2017
Anticipated Listing Date and commencement of trade on the Main Board of the exchange operated by the JSE	Monday, 3 April 2017
Accounts at CSDPs or brokers updated and accounts debited in respect of the JSE Private Placement Shares at the commencement of trade on	Monday, 3 April 2017

Note: The above times and dates are subject to change. Any such change will be notified on SENS

16. DIRECTORS

16.1 The business address of each Director is Elizabeth House, 9 Caste Street, St Helier, Jersey, JE2 3RT.

16.2 The full names, and functions of the directors of Foresight Solar Fund are provided below:

Name	Position	Experience
Alexander Ohlsson	Chairman and non-executive director	Mr Ohlsson is Managing Partner for the law firm Carey Olsen in Jersey. He is recognised as a leading expert in corporate and finance law in Jersey and is regularly instructed by leading global law firms and financial institutions. He is the independent chairman of the States of Jersey's Audit Committee and an Advisory Board member of Jersey Finance, Jersey's promotional body. He is also a member of the Financial and Commercial Law Sub-Committee of the Jersey Law Society which reviews as well as initiates proposals for legislative changes. He was educated at

Victoria College Jersey and at Queens' College, Cambridge, where he obtained an MA (Hons) in Law. He has also been an Advocate of the Royal Court of Jersey since 1995.

Mr Ohlsson was appointed as a Non-Executive Director and Chairman on 16 August 2013.

Christopher Ambler Non-executive director

Mr Ambler has been the Chief Executive of Jersey Electricity plc since 1 October 2008. He previously held various senior positions in the global industrial, energy and materials sectors working for major corporations, such as ICI/ Zeneca, the BOC Group and Centrica/British Gas as well as in strategic consulting roles. Mr Ambler is a Chartered Engineer and a Member of the Institution of Mechanical Engineers. He holds a first class Honours Degree from Queens' College Cambridge and an MBA from INSEAD. Mr Ambler is a Director on other boards including a Non-Executive Director of Apax Global Alpha Limited, another listed fund which launched on the London Stock Exchange on 15 June 2015.

Mr Ambler was appointed as a Non-Executive Director on 16 August 2013.

Peter Dicks Non-executive director

Mr Dicks is currently a Director of a number of quoted and unquoted companies. In addition, he was the Chairman of Foresight VCT plc and Foresight 2 VCT plc from their launch in 1997 and 2004 respectively until 2010 and since then he has continued to serve on the Board of the now merged Foresight VCT plc. He is also on the Board of Foresight 3 VCT plc, Foresight 4 VCT plc, ICG Enterprise Trust plc and Mears Group plc. and is Chairman of Unicorn AIM VCT plc and SVM Emerging Fund.

Mr Dicks was appointed as a Non-Executive Director on 16 August 2013.

17. DIRECTORS' STATEMENTS

- (a) The Directors of Foresight Solar Fund have no reason to believe that the working capital available to the Foresight Solar Fund Group will be insufficient for at least 12 months from the Listing Date.
- (b) The Directors hereby confirm that Foresight Solar Fund has, to the best of their knowledge and belief, adhered to all legal and regulatory requirements of the LSE and the Initial Issues will comply with the requirements of the LSE.

18. MAJOR SHAREHOLDERS

As at the Last Practicable Date, Foresight Solar Fund was aware of the following persons, other than Directors, who hold direct or indirect beneficial interests in five per cent. or more of Foresight Solar Fund's issued share capital:

	Number of Ordinary Shares	Percentage of issued Ordinary Share capital
Newton Investment Management Limited	33 899 066	9.94%
BlackRock Inc. and its associates	33 290 469	9.76%
Schroders Plc	30 841 666	9.04%
Legal & General Investment Management Limited	24 588 350	7.21%
Rathbone Investment Management Limited	21 003 511	6.16%

The Directors are not aware of any person or persons who could, directly or indirectly, jointly or severally, exercise control over Foresight Solar Fund. There are no different voting rights for any shareholder.

19. ADDITIONAL FORESIGHT SOLAR FUND INFORMATION

19.1 ACCREDITED EXCHANGE

- (a) The Ordinary Shares of Foresight Solar Fund were admitted to trading on the premium segment of the Official List and traded on the Main Market of the LSE on 29 October 2013.
- (b) The LSE is an "accredited exchange" in accordance with paragraph 18.42(b) of the JSE Listings Requirements.
- (c) Foresight Solar Fund is not listed on any other exchange.

19.2 FORESIGHT SOLAR FUND INFORMATION

- (a) Foresight Solar Fund is a closed-ended investment Foresight Solar Fund and was incorporated with limited liability in Jersey under the Companies Law on 13 August 2013, with registered number 113721, with its registered address situated at Elizabeth House, 9 Caste Street, St Helier, Jersey, JE2 3RT.
- (b) Foresight Solar Fund is not registered as an external Foresight Solar Fund in South Africa.
- (c) Foresight Solar Fund has appointed Computershare Investor Services Proprietary Limited as its transfer secretaries in South Africa with its main place of business at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196.
- (d) Foresight Solar Fund has appointed Computershare Investor Services (Jersey) Limited as its Registrar in the United Kingdom with its main place of business at Queensway House, Hilgrove Street, St. Helier, Jersey, JE1 1ES.
- (e) As at the Last Practicable Date neither Foresight Solar Fund nor any of its affiliates has any presence or operations, or holds any assets, in South Africa.

19.3 SHARE CAPITAL

- (a) The issued Ordinary Share capital of Foresight Solar Fund (all of which will be fully paid-up) as at the date of this Pre-listing Announcement and immediately following the JSE Listing Date (on the assumption that 100 million New Shares are issued pursuant to the Initial Issues and 250 million New Shares are issued in terms of the Initial Issues and Placing Programme) is and will be as follows:

	<u>Number of Ordinary Shares</u>
As at the date of this Pre-listing Announcement	
Ordinary Shares	340,950,912
Immediately following the Listing Date, assuming 100 million New Shares are issued pursuant to the Initial Issues	
Ordinary Shares	440,950,912
Assuming 250 million New Shares are issued pursuant to the Initial Issues and Placing Programme	
Ordinary Shares	590,950,912

- (b) As at the Last Practicable Date Foresight Solar Fund did not hold any Ordinary Shares in treasury and no Ordinary Shares were held by or on behalf of Foresight Solar Fund itself or by subsidiaries of Foresight Solar Fund.
- (c) On the JSE Listing Date all Ordinary Shares in issue, including the New Shares, shall rank pari passu with each other in all respects, including in respect of voting rights, dividends and other distributions declared after the Listing Date and none will have any restrictions in relation to transferability.

20. TAX CONSIDERATIONS

- 20.1 The following paragraphs contain a general summary of the South African tax implications of the acquisition and ownership of Ordinary Shares, for information purposes. This summary is not comprehensive or determinative and should not be regarded as tax advice given by Foresight Solar Fund or any of its advisers. This summary is based on the South African laws as in force and as applied in practice on the date of this Pre-listing Announcement and is subject to changes to those laws and practices subsequent to the date of this Pre-listing Announcement. In the case of persons who are non-residents of South Africa for income tax purposes, it should be read in conjunction with the provisions of any applicable double taxation agreement between South Africa and their country of tax residence.
- 20.2 Dividends tax at 20 per cent. will be withheld on any foreign cash dividends declared and paid by Foresight Solar Fund to South African shareholders holding Ordinary Shares listed on the exchange operated by the JSE, subject to any applicable exemptions that may apply.
- 20.3 South African resident shareholders that dispose of their Ordinary Shares listed on the exchange operated by the JSE will be subject to either income tax (in the case of share dealers) or capital gains tax (in the case of capital investors).
- 20.4 Investors should consult their own advisers and take advice as to the tax consequences arising from or in relation to the acquisition and ownership of the Ordinary Shares in light of their particular circumstances, including, in particular, the effect of any state, regional, local or other tax laws.

21. EXCHANGE CONTROL

- 21.1 The SARB has approved the secondary inward listing of Foresight Solar Fund on the Main Board of the JSE, and classified the secondary inward listed Ordinary Shares as 'domestic' for exchange control purposes. Accordingly, South African resident investors may trade the Ordinary Shares on the JSE without having recourse to their foreign portfolio allowances.
- 21.2 Currency and shares are not freely transferable from South Africa to any jurisdiction outside the geographical borders of South Africa or jurisdictions outside of the Common Monetary Area (collectively, South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland). These transfers must comply with the South African Exchange Control Regulations as described below. The South African Exchange Control Regulations also regulate the acquisition by former residents and non-residents of Ordinary Shares.
- 21.3 Investors who are resident outside the Common Monetary Area should seek advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to enable an investor to acquire and/or hold Ordinary Shares. If investors are in any doubt regarding the application of the South African Exchange Control Regulations, they should consult their own professional advisers.

22. CLEARANCE AND SETTLEMENT

- 22.1 The New Shares to be issued in South Africa will be issued in dematerialised form only. A successful applicant in the JSE Private Placement must have an account at a central securities depository participant ("**CSDP**") or any person registered as a broking member (equities) in terms of the Rules of the JSE made in accordance with the provisions of the Financial Markets Act, 2012, to receive and hold the dematerialised New Shares on their behalf in South Africa. The Ordinary Shares may only be traded on the exchange operated by the JSE in electronic form as dematerialised shares and will trade for electronic settlement in terms of the Strate Proprietary Limited, the licensed central securities depository ("**Strate**") system immediately following the JSE Secondary Listing. Should a shareholder require a physical share certificate for its Ordinary Shares in South Africa following the JSE Secondary Listing, he/she/it should contact his/her/its CSDP to obtain one. All shareholders who elect to convert their dematerialised Ordinary Shares to certificated Ordinary Shares will have to dematerialise their Ordinary Shares before they can be traded.
- 22.2 Each successful applicant in the JSE Private Placement must, as soon as possible after being notified of an allocation of New Shares, forward to:
- (a) its CSDP, all information required by the applicant's CSDP and instruct its CSDP to pay, against delivery of the applicant's allocation of New Shares, the aggregate price in ZAR for such New Shares to be issued in South Africa to the account designated by Foresight Solar Fund. Such information and instructions must be confirmed to the applicant's CSDP no later than 12:00, two business days prior to the settlement date (expected to be 3 April 2017) ("**Settlement Date**"); and
 - (b) details of its CSDP, the name of the account holder and number of New Shares and such other information as is required by RMB's CSDP in order to effect delivery of the relevant New Shares. Such information must be confirmed to RMB no later than 12:00, two business days prior to the Settlement Date).
- 22.3 By no later than 12:00 on Thursday, 30 March, 2017, each applicant must place its funds with its CSDP or make other necessary arrangements to enable its CSDP to make payment for the allocated New Shares on the Settlement Date, in accordance with each applicant's agreement with its CSDP.

The applicant's CSDP must commit in the Strate system to the receipt of the applicant's allocation of New Shares to be issued in South Africa against payment by no later than 15:00 on Friday, 31 March 2017. On the Settlement Date, the applicant's allocation of New Shares will be credited to the applicant's CSDP or broker against payment during the Strate system settlement runs which occur throughout the day.

23. CONFLICT OF INTEREST

RMB is acting for Foresight Solar Fund in the capacities of transaction adviser, sole bookrunner and sponsor in relation to the secondary inward listing on the JSE and the JSE Private Placement in South Africa. In terms of the Listings Requirements, it is confirmed that, in order to manage any potential or perceived conflicts of interest that might arise as a result of RMB acting in these roles, RMB has in place appropriate checks and balances and divisions of responsibility amongst the persons involved in fulfilling these various functions. RMB's ability to act independently and objectively in respect of each of these functions is safeguarded by the strict Chinese walls existing between the various divisions and departments within RMB.

24. AVAILABILITY OF DOCUMENTS

Documents, such as financial statements, public announcements and investor presentations which Foresight Solar Fund has made public over the last two years and the constitutional documents of Foresight Solar Fund are available on Foresight Solar Fund's website at <http://www.foresightgroup.eu/fsfl-home>.

Jersey

3 March 2017

JSE Sponsor and South African Bookrunner in relation to the secondary inward listing on the JSE and the JSE Private Placement: Rand Merchant Bank (a division of FirstRand Bank Limited) ("**RMB**")

Sponsor, Joint Broker and Joint UK Bookrunner in relation to the UK Initial Placing and Offer: Stifel Nicolaus Europe Limited ("**Stifel**")

Joint Broker and Joint UK Bookrunner in relation to the UK Initial Placing and Offer: J.P. Morgan Securities plc ("**JPMC**")

Legal Adviser to Foresight Solar Fund as to English law: Dickson Minto W.S

Legal Adviser to Foresight Solar Fund as to South African law: Allen & Overy (South Africa) LLP

Stifel is authorised and regulated in the United Kingdom by the Financial Conduct Authority. Stifel is acting exclusively for Foresight Solar Fund and no-one else in connection with the Issues or the matters referred to in this document, will not regard any other person (whether or not a recipient of this document) as its client in relation to the Issues and will not be responsible to anyone other than Foresight Solar Fund for providing the protections afforded to its clients or for providing advice in relation to the Issues or any transaction or arrangement referred to in this document.

This announcement is for information purposes only and does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any JSE Private Placement Shares in the United States or to US Persons (as such term is defined in the US Securities Act 1933, as amended (the "**Securities Act**"), Australia, Canada, South Africa or Japan or any jurisdiction in which such offer or solicitation would be unlawful. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. The JSE Private Placement Shares have not been and

will not be registered under the Securities Act and may not be offered, sold or transferred, directly or indirectly, within the United States or to US Persons unless registered under the Securities Act except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the securities laws of any state or other jurisdiction of the United States. No public offering of the JSE Private Placement Shares referred to in this announcement is being made in the United States, Australia, Canada, or Japan or any jurisdiction in which such public offering would be unlawful. No public offering of shares referred to in this announcement is being made in the United States, the United Kingdom or elsewhere.

The information in this press release may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever. Any forwarding, distribution, reproduction, or disclosure of this information in whole or in part is unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

This Pre-listing Announcement does not constitute or form a part of any offer or solicitation or advertisement to purchase and/or subscribe for shares in any jurisdiction, including an offer to the public for the sale of, or subscription for, or the solicitation or the advertisement of an offer to buy and/or subscribe for, shares.

This Pre-listing Announcement does not constitute or form a part of any offer or solicitation or advertisement to purchase and/or subscribe for shares in South Africa, including an offer to the public for the sale of, or subscription for, or the solicitation or the advertisement of an offer to buy and/or subscribe for, shares as defined in the South African Companies Act and will not be distributed to any person in South Africa in any manner that could be construed as an offer to the public in terms of the Companies Act.

This Pre-listing Announcement does not constitute a prospectus registered and/or issued in terms of the Companies Act. Accordingly, this Pre-listing Announcement does not comply with the substance and form requirements for prospectuses set out in the Companies Act and the South African Companies Regulations of 2011 and has not been approved by, and/or registered with, the South African Companies and Intellectual Property Commission, or any other South African authority.

This Pre-listing Announcement constitutes factual, objective information and nothing contained herein should be construed as constituting any form of investment advice or recommendation, guidance or proposal of a financial nature. The drafters of this Pre-listing Announcement are not financial services providers licensed as such under the South African Financial Advisory and Intermediary Services Act, 37 of 2002 (as amended) in South Africa and nothing in this Pre-listing Announcement should be construed as constituting the canvassing for, or marketing or advertising of financial services in South Africa.

Investors should ascertain whether acquiring or holding the Ordinary Shares, or any of the transactions envisaged in this Pre-listing Announcement, is affected by the laws of the relevant jurisdiction in which they reside and consider whether the Ordinary Shares are a suitable investment in light of their own personal circumstances and are, therefore, strongly recommended to seek their own independent financial, tax and legal advice in light of their own particular circumstances and investment objectives.

If you are in any doubt about the contents of this Pre-listing Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, attorney, accountant or independent financial adviser or from another appropriately authorised independent financial adviser.

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding the current intentions, beliefs or expectations of the

directors ("**Directors**") of Foresight Solar Fund concerning, among other things, Foresight Solar Fund's results of operations, financial condition, liquidity, prospects, growth, strategies and Foresight Solar Fund's markets. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this announcement are based on certain factors and assumptions, including the directors' current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to Foresight Solar Fund's operations, results of operations, growth strategy and liquidity. Whilst the directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the LSE Listing Rules or the rules of the JSE, Foresight Solar Fund undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this announcement that may occur due to any change in the directors' expectations or to reflect events or circumstances after the date of this announcement. Past performance cannot be relied on as a guide to future performance.

This announcement has been issued by and is the sole responsibility of Foresight Solar Fund. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by RMB, Stifel, or JPMC or by any of their affiliates or agents as to, or in relation to, the accuracy or completeness of this announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed. None of RMB, Stifel, or JPMC or any of their affiliates or agents shall have any obligation to update this announcement or any additional information or to correct any inaccuracies in it which may become apparent.

The contents of this announcement are not to be construed as legal, financial or tax advice. If necessary, each recipient of this announcement should consult his, her or its own authorised legal adviser, financial adviser or tax adviser for legal, financial or tax advice. Each placee should consult with its own advisers as to legal, tax, business and related aspects of an acquisition of the JSE Private Placement Shares, as the case may be. This announcement contains no recommendation or guidance as to whether the acquisition of the JSE Private Placement Shares is appropriate to the particular objectives, financial situation or particular needs of any placee or subscriber.

This announcement is directed only at: (a) persons in member states of the European Economic Area who are 'Qualified Investors' within the meaning of article 2(1)(e) of the Prospectus Directive (which means Directive 2003/71/EC and includes any relevant implementing measure in any member state); (b) persons in the United Kingdom, who (i) have professional experience in matters relating to investments falling within article 19(5) ("**Investment professionals**") of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); (ii) are persons falling within article 49(2)(a) to (d) ("**High net worth companies, unincorporated associations, etc.**") of the Order; or (iii) are persons to whom it may otherwise be lawfully communicated; (c) persons in South Africa, to (i) selected institutional investors who fall within the exemptions set out in section 96(1)(a) of the South African Companies Act and/or (ii) selected persons, each acting as principal, acquiring Offer Shares for a total acquisition cost of R1,000,000 or more, as contemplated in section 96(1)(b) of the South African Companies Act, and to whom the Offer will be specifically addressed and be capable of acceptance by and, accordingly, would not be considered to be the "public" for the purposes of the South African Companies Act (all such persons in (a) (b) and (c) together being referred to as "**Relevant Persons**"). This announcement must not be acted on or relied on by persons who are not Relevant Persons.